

Angola Weekly | 29/11

Market Information

The unemployment rate rose again in Q3 2021 to 34.1%, 2.5 percentage points (pp) above that recorded in Q2 2021 and 0.1 pp above the same period of the previous year. According to INE data, this is the 2nd consecutive quarter of increase and the largest quarterly increase since the beginning of the series. Regarding the young population (15-24 years old), the report points to an 59.2% unemployment during the period. Additionally, 81% of the employed population is in the informal market, especially women, with 90% of its workforce.

The President of Angola decided to extend for another 70 days the Decree that suspends the payment of customs duties on some food products. Decree nº1/21, published on September 14th, aims to reduce the prices of some goods of wide consumption such as rice, pork, dried beef, poultry, corn grain, powdered milk and cooking oil. Thus, the measure should remain in force until the end of January 2022.

In another Presidential order, the President authorized the privatization through an Initial Public Offering (IPO) of the stake that the State indirectly holds in Banco Africano de Investimentos (BAI). The State holds stakes in BAI via Sonangol Holdings (8.5%) and Endiama (1.5%).

In October, BNA again sold foreign exchange to commercial banks, albeit a small amount, of USD 10.1 million. In the first 10 months of the year, BNA sold around USD 620 million to commercial banks, representing a monthly average of USD 62 million, an historic low. **In the foreign exchange market, the Kwanza appreciated by 1.6% against the Dollar to USD/AOA 585 and 1.8% against the Euro to EUR/AOA 659.8.** In the parallel market, the Dollar is trading around USD/AOA 665, according to the sources consulted; thus the gap against the reference rate is now at 13.7%.

BP has announced the start of oil production in the Platinum deepwater field in Block 18. The British company has announced that it expects the investment to yield an average daily production of 0.03-0.04 million barrels per day (mbd); production in this block averaged around 0.04 mbd in 2021.

The discovery of a new variant of the Covid-19, named Omicron, is generating some concerns, causing the Brent to drop nearly \$10 on Friday, recovering today to close to USD 76. There are still no certain data on the contagious and lethality of this variant, so a period of some agitation in the markets should continue in the next weeks.

Macroeconomic Forecasts

Indicator	2020*	2021**	2022**
GDP change (%)	-5.4	1.3	2.9
Average Inflation (%)	22.3	26.0	22.7
Current Account (% GDP)	1.5	10.2	3.7

*Inflation, GDP - INE; Current Account - BNA;
**BFA forecasts

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	CCC	-	04/09/20
Moody's	B3	Stable	13/09/21
Standard & Poor's	CCC+	Stable	26/03/20

Monetary and ForEx data*

	19/11/21	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LIUBOR O/N	18.96%	0.00	8.71	7.16
USD/AOA	585.0	-1.55%	-9.99%	-9.48%
AOA/USD	0.00171	1.57%	11.10%	10.47%
EUR/AOA	659.8	-1.74%	-17.19%	-14.24%
EUR/USD	1.132	0.24%	-7.36%	-5.00%
USD/ZAR	16.29	3.56%	10.83%	7.26%

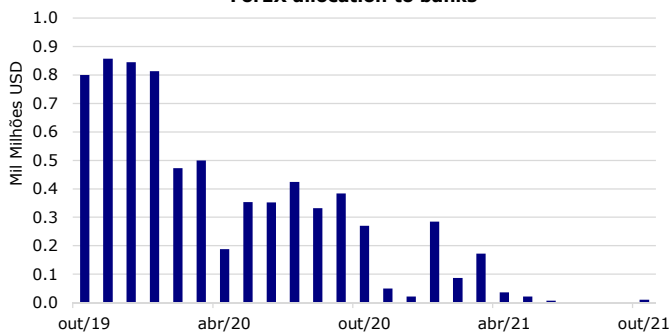
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

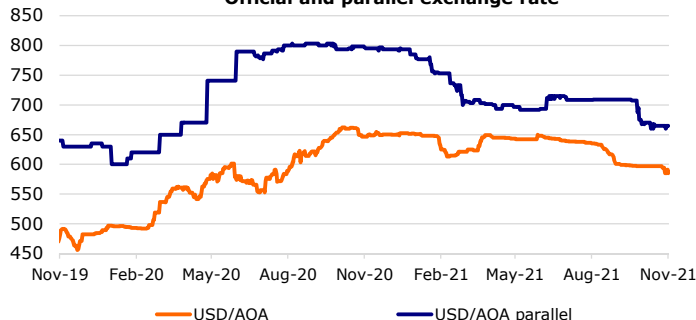
Maturity	Rate	Supply	Demand	Allocated
BT 6 months	15.0%	4,000	1,005	1,005
BT 12 months	17.4%	3,540	378	378
OT USD 2 years	3.7%	1.00	1.22	1.22
OT USD 3 years	4.5%	1.00	0.36	0.36
OT USD 5 years	5.9%	1.00	1.22	1.22

BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza. USD OT in million Dollars * Bond linked to the exchange rate ** Bond linked to treasury bills

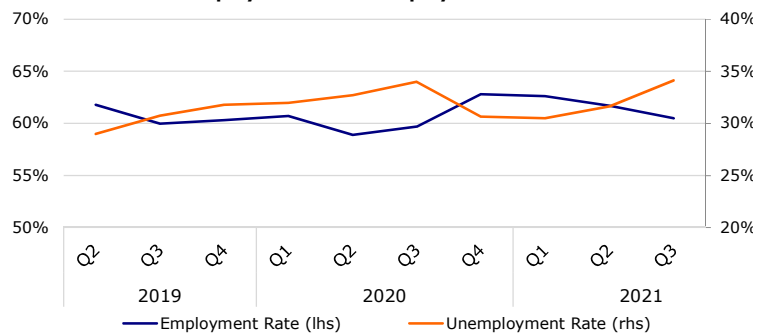
ForEX allocation to banks



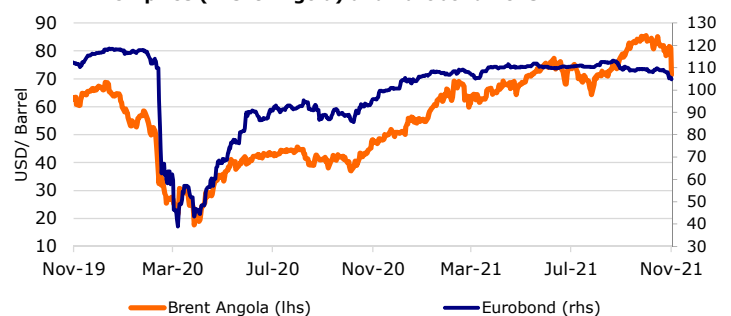
Official and parallel exchange rate



Employment and unemployment rate



Oil price (Brent Angola) and Eurobond 2025



Sources: Bloomberg, BNA, INE, Finance Ministry, OPEC